

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 97-124-C - ORDER NO. 2001-1054  
DECEMBER 4, 2001

IN RE: Application of BellSouth ) ORDER REDUCING  
Telecommunications, Inc. for Approval of ) PTAS RATE  
Revisions to its General Subscriber Service )  
Tariff and Access Service Tariff to Comply )  
with the FCC's Implementation of the Pay )  
Telephone Reclassification and Compensation )  
Provisions of the Telecommunications Act of )  
1996. )

This matter comes before the Public Service Commission of South Carolina (the Commission) in response to the filing by BellSouth Telecommunications, Inc. (BellSouth or the Company) of Tariff No. 2001-462, which would reduce the rate for Payphone Telephone Access Line Service (PTAS). BellSouth states that the requested reduction is to comply with our latest Universal Service Fund Orders.

In Order No. 1999-285 dated April 19, 1999, this Commission established a PTAS rate of \$36.37 per month, inclusive of the current Subscriber Line Charge (SLC) and Primary Interexchange Carrier Charge (PICC). Tariff No. 2001-462 would further reduce the payphone access line rate by \$1,615,000, which would reduce the access line rate from \$36.37 to \$27.86 per month, a rate that shall include all revenues that BellSouth earns on each line from the federal Subscriber Line Charge and Primary Interexchange Carrier Charge (PICC).

BellSouth states that when the Commission established the intrastate Universal Service Fund (USF), it directed that the fund be established on a revenue neutral basis. With implementation of the USF, BellSouth was allowed to recover from the USF the amount it had been funding for Lifeline. Also, BellSouth was allowed to recover certain access payments, which had previously been made to other companies prior to USF implementation. Therefore, in order to prevent BellSouth from receiving any benefit from the implementation of the USF, the Commission directed in Order No. 2001-419 that BellSouth reduce rates to offset the potential described benefits. The proposal is to reduce the PTAS rate by \$1,615,000 accordingly. This figure is made up of \$716,000 maximum Lifeline funding and \$899,000 flowthrough of access savings.


We find that the tariff is in the public interest to encourage the provision of an adequate number of pay telephones for the benefit of the people. We further find that the reduced pay telephone access line service rates will help to accomplish this goal by lowering the pay telephone service provider's threshold cost that revenue must cover in order to serve a particular location. In order to ensure that the entire \$1,615,000 continues to be flowed through to BellSouth's ratepayers on an annual basis, we hereby instruct the Commission Staff to monitor the number of PTAS lines in South Carolina every six (6) months, beginning on July 1, 2002, and report this finding to the Commission. We believe that this process is appropriate to ensure flowthrough as BellSouth Public Communications removes its existing PTAS lines.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)